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OFFICIAL STATEMENT

CITY OF BLYTHE

Riverside County, California

\$550,000


1977 Sewer Revenue Bonds

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Bids to be received by a representative of the City Council of the City of Blythe up to 11:00 a.m., Tuesday, October 18, 1977, at the offices of Stone and Youngberg Municipal Financing Consultants, Inc., 1541 Wilshire Boulevard, Suite 402, Los Angeles, California 90017.



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1
CITY OF BLYTHE
Riverside County, California

2
CITY COUNCIL

Thomas R. Crecelius, Mayor

Cyle Johnson, Vice Mayor
Richard J. Farrage

John T. Keavy
Robert M. Lofton

A. G. Alexander, City Manager and City Clerk
Leora Hollingshead, City Treasurer J. Scott Zundel, City Attorney

PROFESSIONAL SERVICES

Rutan & Tucker, Santa Ana
Bond Counsel

Currie Engineering Company, San Bernardino
Consulting Engineers

[Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco
Financing Consultants]

Security Pacific National Bank, Los Angeles
Fiscal Agent

Harris Trust & Savings Bank, Chicago, Illinois
Bankers Trust Company, New York, New York
Paying Agents

Invest Publ. secur.
Public debts Munic Blythe
" water Fin. "
Sewage disp. "

THE DATE OF THIS OFFICIAL STATEMENT IS SEPTEMBER 29, 1977

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CITY OF BLYTHE

September 29, 1977

To Whom It May Concern:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$550,000 of 1977 Sewer Revenue Bonds for the City of Blythe authorized and to be issued for the purpose of assisting in the financing of a regional wastewater treatment plant, interceptor sewer line and appurtenant works, and paying of expenses in connection with bond issuance.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the City of Blythe in connection with the sale of the 1977 Sewer Revenue Bonds and the firm will receive compensation from the City contingent upon the sale and delivery of the Bonds. Summaries herein presented of the Resolution of Issuance, Notice Inviting Bids, proposed project improvements, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the City Clerk of the City for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from the City Clerk of the City or from Stone & Youngberg Municipal Financing Consultants, Inc.

At the time of payment for and delivery of the Bonds, the City will furnish the successful bidder a certificate signed by an appropriate officer of the City, acting in his official capacity, to the effect that to the best of his knowledge and belief and after reasonable investigation:

- a. Neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;
- b. Since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement; and

- c. There has been no adverse change in the operation or financial affairs of the City since the date of the Official Statement.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement and any supplement or amendment, and if given or made, such information or representation must not be relied upon as having been authorized by the City.

This Official Statement does not constitute an offer to sell; or the solicitation of any offer to buy; nor shall there be any sale by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale of; the Bonds.

The execution and distribution of this Official Statement have been duly authorized by the City Council of the City of Blythe.

CITY OF BLYTHE

A handwritten signature in dark ink, appearing to read "T. R. Crecelius". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas R. Crecelius, Mayor

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INTRODUCTION

The \$550,000 City of Blythe 1977 Sewer Revenue Bonds currently being offered for sale comprise the total principal amount authorized by an election held in the City on May 31, 1977. The Bonds will be issued pursuant to the Revenue Bond Law of 1941, commencing with Section 54300 of the Government Code of the State of California.

Proceeds from the sale of the 1977 Sewer Revenue Bonds will be used together with Federal and State grant funds (equaling approximately 87.5 percent of eligible costs) and a City contribution to meet the costs of constructing a 1.5 million gallon per day regional wastewater treatment facility, interceptor sewer line and appurtenant works. Bond proceeds will also be applied, to the extent necessary, to pay the first eighteen months' interest on the Bonds, establish a bond reserve fund and to cover the costs of bond issuance.

The improved wastewater treatment facilities are needed to comply with the sanitary wastewater discharge requirements imposed upon the City of Blythe and the East Blythe County Water District by the California Regional Water Quality Control Board, Colorado River Basin Region, and the State Water Resources Control Board. Following a study of the existing wastewater disposal facilities in the City and District it was concluded that the best method to comply with these requirements is through construction of a regional wastewater treatment facility upon a site now utilized by the City for sewage disposal. An interceptor sewer line will link the District's sewage collection facility to the regional plant.

Pursuant to a joint powers agreement entered into by the City of Blythe and the East Blythe County Water District on March 30, 1977, each entity will continue to maintain their respective sewage collection systems. It was agreed that the City would have responsibility for engineering, financing, construction, ownership, operation and maintenance of the Enterprise which is defined as the regional wastewater treatment plant, interceptor sewer line and appurtenant works. The two entities also agreed to establish uniform user charges to pay the bond service, operation and maintenance costs required by construction and operation of the Enterprise. Upon completion of the Enterprise the District will forward to the City each month a sum based upon the actual number and type of sewer connections then in the District. This is an obligation of the District regardless of its ability to impose or collect sufficient user charges.

The 1977 Sewer Revenue Bonds will be dated November 1, 1977, and will mature on November 1 of the years 1980 through 2002. Interest on the Bonds is payable from and secured by a first lien on the net revenues of the Enterprise.

The Enterprise is defined as the regional wastewater treatment plant, the interceptor sewer line and appurtenant works and does not include the existing sewage collection and disposal systems of either the City of Blythe or the East Blythe County Water District. Net revenues include all income receipts or revenues derived from the operation of the Enterprise, including interest income, excepting revenues derived from connection fees and customer deposits, less the annual maintenance and operation expenses (exclusive of depreciation charges) of the Enterprise. There shall be no recourse to the taxing powers of the City of Blythe for payment of the Bonds.

The City of Blythe is located in the southeastern portion of Riverside County approximately 225 miles southeast of Los Angeles and 160 miles west of Phoenix, Arizona. The City is situated in the agriculturally fertile Palo Verde Valley three miles west of the Colorado River. The City is separated from larger population centers by vast expanses of desert and arid mountains.

Blythe was incorporated on July 21, 1916, and is a general law city which functions under the council-manager form of government. All City functions are carried out under the direction of the City Manager who is appointed by the five-member City Council.

The economy of Blythe is based primarily upon agriculture followed by tourism and commerce. The City is traversed by Interstate 10, the principal route between Los Angeles and Phoenix, U.S. 95 and California 78. The City serves as a stopover point for travelers and its proximity to the Colorado River attracts increasing numbers of boaters, campers and fishermen each year. The City also serves as the trading center for the Palo Verde Valley and remote portions of western Arizona. The San Diego Gas and Electric Company is currently seeking regulatory approval to build the Sundesert Nuclear Plant at a site sixteen miles southwest of Blythe. Construction of the proposed facility is scheduled to commence in 1979 and will have a significant impact upon the economy of the City.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$550,000 City of Blythe 1977 Sewer Revenue Bonds currently being offered for sale comprise the total principal amount authorized by a vote of 285 to 49 at a special election held within the City on May 31, 1977. The 1977 Sewer Revenue Bonds are being issued under provisions of Resolution No. 27-77 of the City of Blythe adopted on September 29, 1977. A copy of Resolution No. 27-77 accompanies this Official Statement.

The Bonds will be issued pursuant to the Revenue Bond Law of 1941 (Chapter 6, Part 1, Division 2, Title 5 of the Government Code of the State of California, commencing with Section 54300) .

TERMS OF SALE

Bids for the purchase of the 1977 Sewer Bonds will be received by a representative of the City Council of the City of Blythe at or before 11:00 a.m., on Tuesday, October 18, 1977, at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., 1541 Wilshire Boulevard, Suite 402, Los Angeles, California 90017. It is expected that the bids will be referred to the City Council for action at a meeting to be held at 7:30 p.m. on the same day. Details as to the terms of sale are included in the Notice Inviting Bids adopted by the City Council on September 29, 1977, a copy of which accompanies this Official Statement.

DESCRIPTION OF THE BONDS

The \$550,000 City of Blythe 1977 Sewer Revenue Bonds will be dated November 1, 1977 and will be issued in denominations of \$5,000 each. The Bonds will be numbered 1 through 110 and will mature on November 1 of each year, as shown in the Schedule of Maturities on the following page.

The first twelve (12) months' interest on the Bonds will be payable on November 1, 1978. Interest will be payable semiannually thereafter on May 1 and November 1 of each year.

Both interest and principal are payable at the Corporate Trust Division of Security Pacific National Bank, Los Angeles, California, fiscal agent for the City in connection with the 1977 Sewer Revenue Bonds, or, at the option of the holder, at any paying agent of the City in Chicago, Illinois or New York, New York.

SCHEDULE OF MATURITIES

November Year	Principal Maturing	November 1 Year	Principal Maturing
1980-1982	\$10,000	1995-1997	\$30,000
1983-1986	15,000	1998-1999	35,000
1987-1991	20,000	2000-2001	40,000
1992-1994	25,000	2002	45,000

REDEMPTION PROVISIONS

Bonds numbered 1 through 30, in the amount of \$150,000, maturing on or prior to November 1, 1989, are not subject to call for redemption prior to maturity. Bonds numbered 31 through 110, in the amount of \$400,000 maturing on and after November 1, 1990, are subject to call for redemption prior to maturity, in whole or in part, on any interest payment date beginning November 1, 1989. The Bonds will be callable in inverse order of maturity and by lot within a single maturity. The redemption price will be equal to the principal amount and accrued interest to the date of redemption, plus a premium equal to one-quarter of one percent of the principal amount for each year or portion of a year from the redemption date to the maturity date.

NOTICE OF REDEMPTION

Notice of redemption is to be published in a financial newspaper or financial journal in the City of New York at least 30 days and not more than 60 days prior to the redemption date. The fiscal agent is required to give written notice to the owners of any registered bonds.

REGISTRATION

The Bonds will be issued as coupon bonds, payable to the bearer, and will be registrable only as to both principal and interest, at the option of the holder, with the privilege of discharge from registration, but subject to the provisions of the resolution providing for their issuance.

LEGAL OPINION

All proceedings in connection with the Bonds are subject to the approval of Rutan & Tucker of Santa Ana, California, bond counsel for the City of Blythe in connection with the 1977 Sewer Revenue Bonds. The unqualified opinion of Rutan & Tucker attesting to the validity of the Bonds will be supplied free of charge to the original purchasers of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

TAX EXEMPT STATUS

In the opinion of bond counsel, interest on the Bonds is exempt from income taxes of the United States of America under present Federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

PURPOSE OF ISSUE

Proceeds from the sale of the 1977 Sewer Revenue Bonds will be used together with Federal and State grant funds (approximately 87.5 percent of eligible costs) and a contribution from the City to pay the costs of constructing a regional sewage treatment plant, interceptor sewer line and appurtenant works. Bond proceeds will also be applied to pay the first eighteen months' interest on the Bonds, establish a bond reserve fund and meet the costs of bond issuance. The proposed improvements, the existing sewerage system, projected revenues and expenditures, project costs and sources of funds are described in detail under the section of this Official Statement entitled "The Enterprise".

SECURITY

The first eighteen months' interest on the Bonds is payable from bond proceeds. Thereafter bond principal and interest are payable from and secured by a first lien on the net revenues of the Enterprise.

The Enterprise is the regional sewage treatment plant, interceptor sewer and appurtenant facilities to be financed with the proceeds of the Bonds. It does not include the existing sewage collection system.

Net revenues include all the income, receipts or revenues derived from the operation of the Enterprise, including interest on invested funds, excepting revenues derived from connection fees and customer deposits, less the annual maintenance and operation expenses (exclusive of depreciation charge) of the Enterprise. Money derived from the levy and collection of taxes by the City shall not, however, constitute revenues of the Enterprise. There shall be no recourse to the taxing power of the City

for payment of the Bonds, However it is expected that the City will continue its present policy of using the proceeds of ad valorem taxes to meet the costs of operating and maintaining the existing sewage collection system.

ESTABLISHMENT OF FEES, RATES, TOLLS AND CHARGES

The City covenants and agrees that as long as any bonds are outstanding it will fix and maintain fees, rates, tolls and other charges for sewer service which will produce annual net revenues equal to at least 1.25 times the annual bond interest and principal requirements as they become payable.

On September 29, 1977, the City Council adopted a sewer service charge schedule for the first time in the City's history. The rates established were based upon a revenue program completed by Currie Engineering Company, San Bernardino, California and dated September 15, 1977. A portion of the operating revenues of the Enterprise will be derived from the implementation of a uniform sewer user charge schedule in the East Blythe County Water District. The District will also be serviced by the regional sewage treatment facility pursuant to the provisions of a Joint Powers Agreement between the City and the District dated March 30, 1977. Under the terms of the Joint Powers Agreement, the District will pay the City a lump-sum amount equal to the number of actual sewer connections in the District multiplied by the monthly service charge commencing on the date the regional treatment plant is placed in operation and thereafter on the first day of each month.

As shown by the following tabulation, projected net revenues for the first twelve month period following completion of the Enterprise and implementation of sewer user charges will cover the estimated maximum annual debt service requirements of the 1977 Sewer Revenue Bonds by 1.82 times.

CITY OF BLYTHE
REGIONAL SEWAGE TREATMENT SYSTEM
Projected Revenues, Expenses and Coverage
For the Year Ending May 1, 1980

Operating Revenues	\$182,000
Operating Expenses	<u>93,100</u>
Net Pledged Revenues	\$ 88,900
Estimated Maximum Annual Bond Service (1)	<u>48,750</u>
Balance	\$ 40,150
Coverage	1.82

(1) From Table 2.

Prior to the issuance and delivery of the 1977 Sewer Revenue Bonds, the City must furnish a certificate of an independent engineer showing that net revenues under the service charge schedule adopted by the City Council will be adequate to provide coverage of at least 1.25 times bond service, as required by Resolution No. 27-77, providing for the issuance of the Bonds.

CREATION OF SPECIAL FUNDS

The resolution of issuance provides for the creation of special funds for the administration and control of the proceeds obtained from the sale of the Bonds and from the revenues of the Enterprise. The funds are listed on the following page and grouped according to whether the funds are administered by the fiscal agent or the City. This tabulation also indicates the flow of funds from the Sewer Revenue Fund, the amount of initial deposit and whether or not the investment of monies held in the funds is possible. Special aspects of these funds are described in the following pages of this Official Statement.

DISPOSITION OF BOND PROCEEDS

The resolution provides that the proceeds received by the City upon sale of the Bonds are to be applied as follows:

1. Funds held by the fiscal agent:
 - a. Accrued interest and premium, if any, paid by the purchasers of the Bonds is to be deposited in the Bond Interest Fund, plus the sum which will bring the balance to an amount equal to the first eighteen months' interest on the Bonds.
 - b. A sum equal to the maximum annual bond service is to be deposited in the Bond Reserve Fund.
2. The balance of the proceeds is to be transferred to the City to be deposited in the Acquisition and Construction Fund and used for acquisition, improvement and financing of the Enterprise, including incidental expenses. Any balance remaining in the Sewer Revenue Bond Acquisition and Construction Fund after accomplishing the purposes for which the Bonds were issued is to be deposited in the Revenue Fund.

CITY OF BLYTHE
1977 Sewer Revenue Bond Funds

	Held By	Amount Of Deposit From Bond Proceeds	Priority In Transfer From Revenue Fund	Priority In Application Of Bond Proceeds	Investment Permitted
Sewer Revenue Fund	City	-	-	-	No
Maintenance and Operation Fund	City	-	1	4	Yes
Sewer Revenue Bond Interest Fund	Fiscal Agent	(1)	2	1	Yes
Sewer Revenue Bond Retirement Fund	Fiscal Agent	-	3	-	Yes
Sewer Revenue Bond Reserve Fund	Fiscal Agent	(2)	4	2	Yes
Sewer Revenue Bond Acquisition and Construction Fund	City	Balance	-	3	Yes
Sewer Revenue Surplus Fund	City	-	5	-	Yes

(1) Premium and interest to date of delivery, plus the sum required to bring the balance to an amount equal to the first eighteen months' interest on the Bonds.

(2) Maximum annual bond service.

DEPOSIT AND APPLICATION OF REVENUES

On or before the fifth business day of each month, the City Treasurer is to deposit all gross revenues of the Enterprise in the Sewer Revenue Fund. On or before the tenth business day of each month the City Treasurer is required to transfer money from the Revenue Fund to the following funds in the given order of priority:

1. Maintenance and Operation Fund - Each month the City Treasurer is to transfer to the Maintenance and Operation Fund amounts sufficient to meet the necessary and reasonable maintenance and operation costs of the Enterprise and to preserve a balance of \$2,500 as a reserve for repairs and replacements.
2. Bond Interest Fund - Each month an amount equal to one-sixth of the next interest payment is to be transferred to the Bond Interest Fund until sufficient funds have been accumulated to meet the next succeeding installment of interest. However, during the first year such deposit shall equal one-twelfth of the first interest payment due on November 1, 1978.
3. Bond Retirement Fund - Each month an amount equal to one-twelfth of the principal amount of bonds maturing within the next year is to be transferred to the Bond Retirement Fund until sufficient funds have been accumulated to meet the minimum bond principal payment due within one year.
4. Reserve Fund - The amount, if any, necessary to maintain the Reserve Fund at a level equal to the maximum annual debt service on these Bonds. Money in the Reserve Fund may be used to meet the final maturities of principal and interest.
5. Surplus Fund - All money remaining each month, after the requirements specified above have been met, is surplus and is to be deposited by the City Treasurer in the Surplus Fund. Money in the Surplus Fund must be used to replenish the Reserve Fund, if necessary. The remaining surplus may be used for any of the following purposes:
 - a. Expansion or improvement of the system.
 - b. Redemption of callable bonds.
 - c. Purchase of bonds at public or private sale at a price not to exceed the redemption price of the bonds at the next redemption date.
 - d. Investment in any securities in which the City may legally invest funds subject to its control.
 - e. Any other lawful purposes of the City.

INVESTMENT OF FUNDS

Resolution No. 27-77 provides that certain funds may be invested in securities in which the City may legally invest its funds.

Reserves for replacements and repairs or unencumbered working capital in the Maintenance and Operation Fund may be invested for any duration of time. Money in the Reserve Fund may also be invested for any period. Money in the Bond Interest Fund and the Bond Retirement Fund may be invested for a period ending prior to the time the money is required to pay interest and principal, respectively. Money in the Acquisition and Construction Fund may be invested for a period ending prior to the time the funds are required to meet scheduled expenditures.

ADDITIONAL BONDS

Resolution No. 27-77 provides that no additional indebtedness having a priority over the Bonds currently being offered may be issued. Additional bonds or other indebtedness secured by the same revenues may be issued on a parity with the 1977 Sewer Revenue Bonds, subject to the following conditions:

1. The City must be in compliance with all covenants of the resolution of issuance.
2. Net revenues over the last fiscal year or twelve month period must amount to at least 1.25 times the maximum amount of debt service required in the future on the then outstanding bonds and on the additional bonds proposed to be issued.
3. The Reserve Fund must be increased to an amount equal to the maximum combined annual bond service on the then outstanding bonds and any additional bonds.

In determining net revenues, the resolution permits allowance to be made for net revenues from additions or extensions to the sewer system or from increases in sewer rates which were not in effect for a full year, as shown by the estimate of a qualified independent engineer. Such allowances shall be limited by the following formula:

- a. In the case of additions or extensions to the system, an amount equal to 75 percent of the estimated additional annual net revenues over the next 36 months.
- b. In the case of an increase in flat rate sewer service charges, the total amount by which the net revenues would have been increased if such charges had been in effect during the preceding twelve month period.
- c. In the case of an increase in variable sewer service charges, an amount equal to 75 percent of the amount by which the net revenues would have been increased if such charges had been in effect during the preceding twelve months.

ADDITIONAL COVENANTS

In addition to those recited above, the resolution contains additional covenants, including the following:

1. The City will punctually pay or cause to be paid the principal and interest on every bond issued under the resolution and in strict conformity with the terms of the bonds and of the resolution.
2. The City will pay and discharge all lawful claims for labor, material, supplies, taxes, assessments, or other governmental charges, which, if unpaid, might become a lien upon the revenues of the Enterprise.
3. The City will commence the acquisition and construction of the Enterprise as soon as funds are available and complete it with all practical dispatch.
4. The City will maintain the Enterprise in good order and operate it efficiently and economically, as provided in the resolution.
5. The City agrees not to sell, mortgage, or otherwise encumber the Enterprise unless provision is made for a continuance of payments into the Sewer Revenue Fund sufficient to permit payment of interest and principal on all outstanding bonds. The City agrees not to enter into any agreement which would impair the operation of the Enterprise or any part necessary to secure adequate revenues to pay the Bonds, or which otherwise would impair the rights of the bondholders with respect to the revenues or operation of the Enterprise.

If any substantial part of the Enterprise is sold or taken by proceedings in eminent domain, the proceeds from the sale or condemnation must be applied to construction or acquisition of new facilities or placed in the Retirement Fund and used to retire or redeem outstanding bonds.

6. The City will maintain or otherwise provide for all such insurance on the Enterprise as is customarily maintained on similar facilities. If any useful part of the Enterprise is damaged or destroyed, it is to be restored to use.
7. The City will maintain accurate records and accounts covering the Enterprise and all revenues of the Enterprise. These records and accounts will be subject at all times to inspection by holders of not less than 10 percent of the outstanding bonds. The City will have its accounts and records audited annually by an independent certified public accountant. Copies of the audit will be available for inspection at the offices of the City Treasurer and the fiscal agent.

8. The City will not permit free use of the Enterprise by any person, firm or corporation, including governmental agencies.
9. The City will not issue any additional bonds having a prior lien on the revenues of the Enterprise.
10. To the extent possible, the City will not permit establishment of competing enterprises within the service area.

THE ENTERPRISE

The Enterprise consists of a regional wastewater treatment facility, an interceptor sewer line and appurtenant works. These facilities will service residences and commercial establishments located in the sewer service areas of the City of Blythe and the East Blythe County Water District. The existing sewage collection and disposal facilities of the City and the District do not comprise a portion of the Enterprise.

EXISTING FACILITIES

The City of Blythe and the East Blythe County Water District each obtain their water supplies from wells drilled into the alluvial plain of the Colorado River. Each entity also maintains sewage collection and disposal facilities.

Approximately 2,219 residences and 271 other non-industrial (primarily commercial) establishments receive sewer service from the City of Blythe. The East Blythe County Water District provides sewer service to approximately 698 residences and 44 other non-industrial users. Sewage collected by each entity is pumped to separately owned ponds from which the effluent is dissipated by infiltration and evaporation.

THE IMPROVEMENT PROGRAM

The California Regional Water Quality Control Board, Colorado River Basin Region, and the State Water Resources Control Board have determined that the effluent flowing from the City of Blythe and the East Blythe County Water District does not meet the sanitary wastewater discharge requirements of the respective Boards.

Following a study of the existing wastewater disposal facilities, Currie Engineering Company, Consulting Engineers, of San Bernardino, California, proposed that these discharge requirements could best be complied with by construction of a regional wastewater treatment plant to serve the City and the District.

The proposed improvements consist of constructing a 1.5 million gallon per day trickling filter plant with separate sludge digestion and effluent disposal by percolation. Construction of the plant will occur on a site currently utilized by the City of Blythe for wastewater treatment. An interceptor sewer line will be constructed to link the East Blythe County Water District's sewage collection system to the regional plant.

JOINT POWERS AGREEMENT

On March 30, 1977, the City of Blythe and the East Blythe County Water District entered into a joint powers agreement providing for the construction and operation of the regional sewage treatment plant. The City and District agreed that each entity would continue to operate and maintain its own sewage collection system. It was further agreed that the City would be responsible for the engineering, financing, construction, operation and maintenance of the regional wastewater treatment plant.

The City and the District also agreed to establish uniform sewer user rates applicable to the financing, maintenance and operation of the Enterprise and to use their existing water billing mechanisms to collect such charges. The District agreed to pay the City upon commencement of operation of the regional treatment plant and on the first day of each month thereafter, an amount equal to the number of actual sewer connections in the District multiplied by the monthly service charge. The two entities also agreed to maintain identical connection fees and standby charges.

It was agreed that the City would be entitled to 75 percent of the regional treatment plant's capacity and the District to 25 percent. The City agreed to maintain accounting records pertinent to the wastewater plant and to permit inspection of these records by an authorized representative of the District.

SEWER RATES

To provide funds to meet bond service, operating and maintenance costs of the regional wastewater treatment facility, the City of Blythe and the East Blythe County Water District will impose uniform user charge schedules pursuant to the joint powers agreement.

The sewer charge schedule enacted by resolution of the City Council of the City of Blythe is summarized at the top of the facing page. The City will begin collecting sewer charges as of March 1, 1979.

CITY OF BLYTHE
Sewer Rate Schedule

Type of Service	Annual Charge (1)
Residences, churches and retail stores	\$45.00
Offices	48.00
Bakeries, bars and mortuaries	60.00
Schools	2.40 per student (2)
Motels	12.00 per unit
Car washes, convalescent homes, hospitals, commercial laundries, laundromats, service stations, restaurants	.24 per 1,000 gallons of water consumed

(1) To be collected in monthly installments on water bill.

(2) Based upon Average Daily Attendance figures.

The first reading of an ordinance to increase the existing sewer service rates charged by the East Blythe County Water District by an amount equivalent to the preceding schedule occurred at a meeting of the District's Board of Directors on September 14, 1977. The second reading and adoption of the ordinance is expected to occur at the next regular meeting of the Board of Directors on October 12, 1977.

It should be noted that upon completion of the regional facilities the District is obligated to pay the City an amount determined by the number and type of sewer users within its boundaries in accordance with the rates established by the City. Any failure to enact a uniform rate ordinance or to collect service charges does not release the District from this obligation.

GRANT FUNDS

The City has received approval of the grants in aid from the Environmental Protection Agency and the California State Water Resources Control Board to fund 87.5 percent of the eligible project costs. Eligible project costs include outlays for engineering, construction, construction contingencies and land acquisition. Following are summaries of the Federal and State grants.

Federal Grant Assistance

The Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, appropriated \$18 billion to fund up to 75 percent of the eligible cost of publicly -

owned sewerage facility projects approved by the Environmental Protection Agency. In June 1977, the California State Water Resources Control Board indicated that as of April 30, 1977, unencumbered Federal grant funds allocated to California approximated \$617 million, and it is anticipated that these funds will be encumbered by September 30, 1977.

The City of Blythe staff has indicated that Federal grant offers totalling \$3,031,500 for construction of the project were accepted on July 7, 1977.

State Grant Assistance

In 1972, voters authorized the issuance of \$250 million of general obligation bonds by the State of California to initiate a program of State grants of up to 12.5 percent of eligible sewerage project costs. On July 7, 1977, the City accepted grant assistance offered by the California State Water Resources Control Board for an amount not to exceed \$505,250 of the eligible costs incurred in construction of the Blythe wastewater treatment facilities, interceptor sewer line and appurtenant works.

CITY CONTRIBUTION

The City has created a Construction Contingency Reserve Fund to assist with financing the construction of the Enterprise. Pursuant to Resolution No. 30-77, adopted by the City Council on September 29, 1977, the City will place the sum of \$36,000 in the Fund on or before June 30, 1978. This sum shall be deposited with the Fiscal Agent, which upon written request of the City Treasurer will transfer to the Acquisition and Construction Fund any amounts required to complete construction of the Enterprise. Upon completion of the Enterprise any moneys remaining in the Construction Contingency Reserve Fund will be returned to the City.

ESTIMATED PROJECT COSTS

On September 13, 1977, the City Council approved the bid for construction of the wastewater treatment plant submitted by James Hoaglund and John A. Artukovich, a joint venture, of Long Beach, California, in the amount of \$2,853,882. The \$276,392 bid for construction of the interceptor sewer line furnished by CalVada Construction Company of Fresno, California was approved by the City Council on September 20, 1977.

Table 1 summarizes the estimated project costs and sources of funds as reported by Currie Engineering Company, Consulting Engineers, of San Bernardino, California.

Table 1
CITY OF BLYTHE
REGIONAL SEWAGE TREATMENT SYSTEM
Estimated Project Costs and Sources of Funds

ESTIMATED FUNDS REQUIRED

Construction Costs

Wastewater treatment plant	\$2,854,000
Interceptor sewer line	276,000
Total Construction Costs	<u>\$3,130,000</u>

Contingencies	156,000
Engineering and overhead costs	356,000
Reserve fund	48,000
Funded interest	52,000
Costs of issuance	31,000
Total Funds Required	<u>\$3,773,000</u>

SOURCES OF FUNDS

Federal grant funds	\$2,732,000 (1)
State grant funds	455,000 (1)
Bond funds	550,000
Contribution from City	<u>36,000</u>
Total Funds Available	<u>\$3,773,000</u>

(1) Amount applicable to approved construction bids.

ESTIMATED ANNUAL BOND SERVICE

Table 2 presents a schedule of estimated bond service requirements for the 1977 Sewer Revenue Bonds based upon an interest rate of 6-1/4 percent.

Table 2
CITY OF BLYTHE 1977 SEWER REVENUE BONDS
Estimated Annual Bond Service Requirements

Year Ending November 1	Principal Outstanding	Interest Estimated At 6-1/4%	Principal Maturing	Total Bond Service
1978	\$550,000	\$ 34,375.00 (1)	\$ --	\$ 34,375.00
1979	550,000	34,375.00 (1)	--	34,375.00
1980	550,000	34,375.00	10,000	44,375.00
1981	540,000	33,750.00	10,000	43,750.00
1982	530,000	33,125.00	10,000	43,125.00
1983	520,000	32,500.00	15,000	47,500.00
1984	505,000	31,562.50	15,000	46,562.50
1985	490,000	30,625.00	15,000	45,625.00
1986	475,000	29,687.50	15,000	44,687.50
1987	460,000	28,750.00	20,000	48,750.00
1988	440,000	27,500.00	20,000	47,500.00
1989	420,000	26,250.00	20,000	46,250.00
1990	400,000	25,000.00	20,000 (2)	45,000.00
1991	380,000	23,750.00	20,000 (2)	43,750.00
1992	360,000	22,500.00	25,000 (2)	47,500.00
1993	335,000	20,937.50	25,000 (2)	45,937.50
1994	310,000	19,375.00	25,000 (2)	44,375.00
1995	285,000	17,812.50	30,000 (2)	47,812.50
1996	255,000	15,937.50	30,000 (2)	45,937.50
1997	225,000	14,062.50	30,000 (2)	44,062.50
1998	195,000	12,187.50	35,000 (2)	47,187.50
1999	160,000	10,000.00	35,000 (2)	45,000.00
2000	125,000	7,812.50	40,000 (2)	47,812.50
2001	85,000	5,312.50	40,000 (2)	45,312.50
2002	45,000	2,812.50	45,000 (2)	47,812.50
	Totals	\$574,375.00	\$550,000	\$1,124,375.00

(1) Interest for the first eighteen months (i.e., estimated at \$51,562.50) is payable from bond proceeds.

(2) Callable on and after November 1, 1989.

PROJECTED REVENUES AND EXPENSES

Table 3 presents a summary of estimated revenues, expenses and bond service coverage of the Enterprise during its first year of operation. The estimated maximum annual bond service is from Table 2. The other estimates were prepared by Currie Engineering Company.

The line item "Reserve for repairs and replacements" consists of an amount - currently 30 percent of operating expenses - which is required to be set aside as one of the conditions of the State grant.

Table 3

CITY OF BLYTHE REGIONAL SEWAGE TREATMENT SYSTEM

Estimated Annual Revenues, Expenses and Bond Service Coverage

OPERATING REVENUES		\$182,000
LESS OPERATING EXPENSES:		
Operation and maintenance	\$63,000	
Administration	<u>30,100</u>	
Total operating expenses		<u>93,100</u>
NET OPERATING REVENUES		\$ 88,900
LESS OTHER EXPENSES:		
Maximum annual bond service	\$48,750	
Reserve for repairs and replacements	<u>27,900</u>	
Total other expenses		<u>\$ 76,650</u>
Excess Revenues		\$ 12,250
Estimated net operating revenues	\$88,900	
Estimated maximum annual bond service	48,750	
Coverage	1.82:1	



Aerial view of the City of Blythe and surrounding area.

CITY FINANCIAL DATA

ASSESSMENT PRACTICES

The assessed valuation of the City of Blythe is established by the Riverside County Assessor, except for utility property which is assessed by the State Board of Equalization.

According to the State Board of Equalization, assessed valuations established by the Riverside County Assessor for the 1977/78 fiscal year averaged 24.1 percent of full cash value. Utility property is reportedly assessed at 25 percent of the average state-wide cash values.

City taxes are collected by Riverside County at the same time as county and school taxes. Taxes on secured property, including utility property, are payable in two installments on November 1 and February 1 in each fiscal year, and become delinquent if unpaid by December 10 and April 10, respectively. Taxes on unsecured property are assessed as of March 1 and become delinquent in the next fiscal year on August 31.

ASSESSED VALUATIONS

California law provides for two types of exemptions (\$1,750 of the assessed valuation of an owner-occupied dwelling and 50 percent of the assessed valuation of business inventories) which do not result in any loss of revenue to local taxing agencies since an amount equivalent to the taxes which would have been payable on such exempt properties is reimbursed by the State. Following is the 1977/78 assessed valuation of the City before and after these exemptions.

CITY OF BLYTHE

1977/78 Assessed Valuations

	Net Assessed Valuation	Homeowners' and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Local Secured	\$12,575,296	\$2,028,890	\$14,604,186
Utility	2,630,700	30	2,630,730
Unsecured	2,315,415	729,727	3,045,142
Total	\$17,521,411	\$2,758,647	\$20,280,058

Source: Riverside County Auditor-Controller.

The following tabulation shows the growth in the City's assessed valuations during the current and preceding five fiscal years.

CITY OF BLYTHE

Growth in Assessed Valuations (1)

Fiscal Year	Local Secured	Utility	Unsecured	Total
1972/73	\$ 9,791,528	\$1,773,100	\$1,910,147	\$13,474,775
1973/74	10,748,654	1,845,600	1,808,680	14,402,934
1974/75	11,437,412	2,212,240	1,904,701	15,554,353
1975/76	12,182,259	2,369,220	2,422,931	16,974,410
1976/77	14,330,843	2,503,200	2,536,348	19,370,391
1977/78	14,604,186	2,630,730	3,045,142	20,280,058

(1) Before deduction of homeowners' and business inventory exemptions.

Source: Riverside County Auditor-Controller.

TAX RATES

The City currently levies a tax rate of \$2.32 per \$100 of assessed valuation made up of the following components:

CITY OF BLYTHE

1977/78 Tax Rates Per \$100 Assessed Valuation

General	\$.90
Sewers	.30
Parks & Recreation	.20
Employee Benefits	.27
Bond Service	<u>.65</u>
Total	\$2.32

Source: City Staff.

As shown by the following tabulation, the City reduced its tax rate to \$2.32 per \$100 assessed valuation beginning in the 1976/77 fiscal year.

CITY OF BLYTHE

Ad Valorem Tax Rates Per \$100 Assessed Valuation

Fiscal Year	Tax Rate
1973/74	\$2.39
1974/75	2.39
1975/76	2.39
1976/77	2.32
1977/78	2.32

Source: Riverside County Auditor-Controller.

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits the total ad valorem tax rate (exclusive of taxes required to meet debt service on voter-approved obligations, employee retirement costs and certain other obligations) which may be levied by any taxing agency to the higher of its tax rate for the 1971/72 or the 1972/73 fiscal year, whichever was greater, unless a higher rate is approved by the electorate of the Agency; provided that, without the approval of the electorate, the maximum rate may be increased in direct proportion to the percentage by which increases in the Consumer Price Index and/or population growth since the base year exceeded the rate of increase in the assessed valuation of the Agency during the same period. The maximum tax rate which the City could have levied pursuant to such legislative limitations during the 1977/78 fiscal year is \$2.39 per \$100 of assessed valuation.

There are two tax rate areas in the City. The largest of these, Tax Rate Area 03-000, comprises more than 99.8 percent of the City's 1977/78 assessed valuation. The following is a summary of the 1977/78 tax rates for this rate area.

TAX RATE AREA 03-000

1977/78 Tax Rates Per \$100 Assessed Valuation

Riverside County	\$ 2.544
City of Blythe	2.320
Schools	6.481
Special Districts	.304
Total	<u>\$11.649</u>

Source: Riverside County Auditor-Controller.

TAX LEVIES AND COLLECTIONS

The following tabulation shows the total secured taxes levied by the City during the past five fiscal years, together with the total amounts and percentages collected in each year.

CITY OF BLYTHE

Secured Tax Levies and Collections

Fiscal Year	Total Current Tax Levy	Amount Collected			Percentage Of Current Levy	
		Current Taxes	Prior Taxes	Total Taxes	Current Collections	Total Collections
1972/73	\$263,690	\$253,601	\$ (1)	\$ (1)	96.17%	(1) %
1973/74	261,587	252,760	5,835	258,595	96.63	98.86
1974/75	284,523	273,470	6,450	279,920	96.12	98.38
1975/76	304,077	294,127	7,142	301,269	96.73	99.08
1976/77	345,781	333,144	13,791	346,935	96.34	100.33

(1) The Riverside County Auditor-Controller does not currently maintain records of prior year tax collections prior to the 1973/74 fiscal year.

Source: Riverside County Auditor-Controller.

EMPLOYEE RETIREMENT

Since 1970 the City's employees have been members of the Public Employees Retirement System of the State of California. Effective July 1, 1977, the City contributes an amount equal to 16.80 percent of safety employee (i.e., principally police duties) wages and 12.55 percent of miscellaneous employee (i.e., management, administrative, staff, operational and clerical duties) wages. Employees contribute seven percent of their wages to the System. The City's share of contributions totalled \$82,634.43 for fiscal year 1976/77 compared to \$76,024.45 in 1975/76. Contributions reflect the cost of past service. The City's employees are also covered by Social Security.

The Public Employees Retirement System of the State of California is funded by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers & Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years.

Total assets of the System at June 30, 1976 were \$7,896,318,894, according to the Annual Report of the State Controller. Of this amount, reserves of \$7,862,480,565 were

available for benefits. Comparable figures for June 30, 1975 were \$7,010,807,246 and \$6,966,356,482, respectively. The unfunded obligation of the System was determined to be \$6,131,556,655 at June 30, 1975 by the independent auditors. The total unfunded obligation does not take into account the provisions of Chapter 187, Statutes of 1975, which prescribed a new increased contribution by the state with respect to state miscellaneous members. The comparable amount for June 30, 1976 is not available.

The amount of the respective unfunded liabilities will vary from time to time, depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.

REVENUES, EXPENDITURES AND FUND BALANCES

Tables 4A, 4B and 4C present summaries of the City's revenues, expenditures and fund balances for the five years ended June 30, 1977. The summaries were derived from annual audited financial statements prepared by Warren C. Miller, Certified Public Accountant, Blythe, California. The City's financial statements are prepared on the cash basis of accounting.

DIRECT AND OVERLAPPING BONDED DEBT

The City of Blythe will have outstanding, as of October 18, 1977, \$935,000 of general obligation bonded indebtedness, of which \$469,000 is 100 percent self-supporting, as summarized below.

CITY OF BLYTHE

General Obligation Bonded Indebtedness

Date of the Bonds	Purpose	Amount Issued	Final Maturity	Outstanding Oct. 18, 1977
5-15-59	Sewers	\$ 95,000	1978	\$ 5,000
3-15-65	Water and Sewers	730,000	1995	525,000 (1)
3-01-67	Sewers	495,000	1997	<u>405,000</u>
Total General Obligation Bonds				\$935,000

(1) City water bonds totaling \$469,000 are 100 percent self-supporting.

Table 5 is a statement of the City's direct and estimated overlapping bonded debt as of October 18, 1977.

Table 4A
CITY OF BLYTHE
Revenues, Expenditures and Fund Balances - General Fund (1)

Fiscal Year:	1972/73	1973/74	1974/75	1975/76	1976/77
Beginning Fund Balances	\$ 400,863	\$ 551,768	\$ 529,131	\$ 619,070	\$ 645,446
REVENUES:					
Property Taxes	\$ 210,593	\$ 203,444	\$ 223,777	\$ 241,866	\$ 274,971
Licenses and Permits	43,715	43,268	42,495	50,462	61,258
Inspection Fees	10,809	21,706	11,235	18,362	19,696
Fines and Penalties	27,290	34,979	31,665	34,911	36,420
Other Taxes	363,108	436,463	520,607	596,705	658,257
Miscellaneous Revenues	124,113	140,186	167,699	221,081	255,665
Subventions and Grants	65,202	70,555	75,267	75,971	85,908
Gas Taxes	71,149	69,471	70,386	71,796	75,529
Sanitation, Garbage and Trash Charges	85,545	86,496	119,738	139,719	145,647
Golf Course Fees	62,875	65,502	76,736	81,465	83,747
Local Transportation	30,762	41,632	53,932	56,964	30,367
Topics Apportionment	4,390	--	--	--	--
Revenue Sharing	142,631	133,493	137,637	155,258	170,049
Trust Fund Receipts	5,071	6,142	6,507	8,639	4,026
Other Federal Aid	--	--	--	--	143,055
Total Revenues	\$1,247,253	\$1,353,337	\$1,537,681	\$1,753,199	\$2,044,595
EXPENDITURES:					
General Government	\$ 237,561	\$ 500,283	\$ 533,976	\$ 569,889	\$ 665,869
Public Safety	283,574	321,211	340,445	359,273	394,485
Public Works	559,132	602,039	670,811	787,793	756,449
Trust Fund Expenditures	16,081	2,441	2,510	9,868	4,501
Total Expenditures	\$1,096,348	\$1,425,974	\$1,547,742	\$1,726,823	\$1,821,304
Net Revenues (Expenditures)	\$ 150,905	\$ (72,637)	\$ (10,061)	\$ 26,376	\$ 223,291
Transfers from Water Fund	--	50,000	100,000	--	--
Net Changes in Fund Balances	\$ 150,905	\$ (22,637)	\$ 89,939	\$ 26,376	\$ 223,291
Ending Fund Balances	\$ 551,768	\$ 529,131	\$ 619,070	\$ 645,446	\$ 868,737

(1) Also includes balances for Petty Cash and Miscellaneous Trust Funds.

Table 4B
CITY OF BLYTHE
Revenues, Expenditures and Fund Balances - Water Fund

Fiscal Year:	1972/73	1973/74	1974/75	1975/76	1976/77
Beginning Fund Balance	\$100,350	\$101,613	\$105,737	\$ 79,466	\$159,122
REVENUES:					
Water Sales	\$155,222	\$154,760	\$180,217	\$203,812	\$209,589
Water Meters	3,604	6,151	6,905	3,675	4,803
Line Extensions	1,798	2,337	1,894	1,514	3,973
Relocating Meters	1,576	492	390	149	75
Assessments	446	99	--	--	--
Total Revenues	\$162,646	\$163,839	\$189,406	\$209,150	\$218,440
EXPENDITURES:					
Wages and Salaries	\$ 48,922	\$ 47,321	\$ 46,126	\$ 60,246	\$ 54,556
Transmission and Distribution	31,569	21,328	26,742	21,924	26,242
Billing Expenditures	3,386	3,737	4,056	5,996	5,337
Gas and Power	16,544	22,189	30,585	34,605	34,051
Other Administrative Expenditures	11	--	--	23	--
Refunds	49	6	10	--	382
Pump Expenditures	57	4,043	--	--	--
Capital Outlays	60,845	11,091	8,158	6,700	6,188
Total Expenditures	\$161,383	\$109,715	\$115,677	\$129,494	\$126,756
Net Revenues	\$ 1,263	\$ 54,124	\$ 73,729	\$ 79,656	\$ 91,684
Transfers to General Fund	--	(50,000)	(100,000)	--	--
Net Change in Fund Balance	\$ 1,263	\$ 4,124	\$ (26,271)	\$ 79,656	\$ 91,684
Ending Fund Balance	\$101,613	\$105,737	\$ 79,466	\$159,122	\$250,806

Table 4C

CITY OF BLYTHE

Revenues, Expenditures and Fund Balances - Bond Interest and Redemption Fund

Fiscal Year:	1972/73	1973/74	1974/75	1975/76	1976/77
Beginning Fund Balance	\$31,679	\$43,651	\$54,680	\$ 75,403	\$ 98,704
REVENUES:					
Taxes	\$90,262	\$87,190	\$95,904	\$103,657	\$108,509
EXPENDITURES:					
Principal	\$35,000	\$35,000	\$35,000	\$ 40,000	\$ 40,000
Interest	43,290	41,161	40,181	40,356	37,045
Total Expenditures	\$78,290	\$76,161	\$75,181	\$ 80,356	\$ 77,045
Net Revenues	\$11,972	\$11,029	\$20,723	\$ 23,301	\$ 31,464
Ending Fund Balance	\$43,651	\$54,680	\$75,403	\$ 98,704	\$130,168

Table 5
CITY OF BLYTHE
Statement of Direct and Estimated Overlapping Bonded Debt

Population	7,550 (1)	
1977/78 Assessed Valuation	\$20,280,058	
Estimated Market Value	\$83,757,000 (2)	
	<hr/>	
	Debt Applicable October 18, 1977 (3)	
	<u>Percentage</u>	<u>Amount</u>
BONDED DEBT:		
Riverside County	0.844%	\$ 6,752
Palo Verde Irrigation District	15.000	138,000 (4)
Palo Verde Unified School District	32.952	405,310
City of Blythe	100.000	935,000
East Blythe County Water District	0.011	10
TOTAL DIRECT AND OVERLAPPING BONDED DEBT		\$1,485,072
Less: City Water Bonds (100% Self-Supporting)		469,000
NET DIRECT AND OVERLAPPING BONDED DEBT		\$1,016,072
	<hr/>	
	Percentage Of	
	<u>Assessed Valuation</u>	<u>Market Value</u> <u>Per Capita</u>
Assessed Valuation	--	-- \$2,686
Gross Direct Debt	4.610%	1.116% 124
Net Direct Debt	2.298	0.556 62
Gross Direct and Overlapping Debt	7.323	1.773 197
Net Direct and Overlapping Debt	5.010	1.213 135

- (1) January 1977 estimate by the State Department of Finance.
- (2) The State Board of Equalization reports that 1977/78 Riverside County assessed valuations averaged 24.1 percent of full value, except for utility property which is assessed by the State at a reported state-wide average of 25 percent.
- (3) Excludes sales, if any, between September 29, 1977 and October 18, 1977. Also excludes revenue bonds and \$180,532 share of bonds secured by leases of property to Riverside County.
- (4) Excludes share of interest-free Bureau of Reclamation loan.



THE CITY

The City of Blythe is located in the southeastern portion of Riverside County approximately 225 miles southeast of Los Angeles and 160 miles west of Phoenix, Arizona. The City limits encompass 2.316 square miles within the agriculturally fertile, 160 square-mile Palo Verde Valley. The City extends to within three miles of the Colorado River which separates the southeastern portion of California from Arizona.

The economy of Blythe is based principally upon agriculture followed by tourism and commerce. The City is traversed by Interstate 10, the main route between Los Angeles and Phoenix, U. S. 95, California 78 and the 30 inch Texas-California natural gas line. The City is a popular stopover point for travelers passing through and sports enthusiasts who utilize the Colorado River. The City also serves as a trading center for a population of approximately 25,000 persons.

MUNICIPAL GOVERNMENT

The City of Blythe was incorporated on July 21, 1916. Blythe is a general law city which is governed by the council-manager form of government.

The City Council is composed of five members who are elected at large to overlapping four-year terms at elections held every two years. The Council currently selects one of its members to serve as Mayor.

All City functions are carried out under the direction of the City Manager, who is appointed for an indeterminate term by the City Council. During the 1977/78 fiscal year the City operates under an adopted budget of approximately \$2.5 million. The City has 72 employees and a volunteer fire department.

Virtually all of the City's employees are represented in labor negotiations by the Public Employees of Riverside County (PERC). Under provisions of California's Meyers, Milius, Brown Act, formal contractual agreements are not executed between the City and PERC. However, terms of salary settlements are incorporated into memoranda of understanding (the City's safety and miscellaneous employees are covered by separate memoranda). The memoranda of understanding expire June 30 of each year. The City has never experienced a work stoppage or slowdown.

TOPOGRAPHY AND CLIMATE

The topography of Blythe is very flat, owing to the fact that much of the Palo Verde Valley is a reclaimed flood plain of the Colorado River. The Valley is entirely surrounded by desert and arid mountains. The City lies at an average elevation of 265 feet above sea level.

Blythe has a typical desert climate, which is characterized by mild winters and hot summers. Average temperatures range from a low of 37 degrees in January to a high of 108 degrees in July.

POPULATION

The City's permanent population increased three-fold between 1940 and 1970. Since 1970, Blythe's population has grown at a more moderate rate. The following tabulation presents a summary of population growth within the City of Blythe and Riverside County since 1940.

CITY OF BLYTHE Population Growth

Year	City of Blythe		Riverside County	
	Population	% Increase	Population	% Increase
1940(1)	2,335	-- %	105,524	-- %
1950(1)	4,089	75.1	170,046	61.1
1960(1)	6,023	47.3	306,191	80.1
1970(1)	7,047	17.0	459,074	49.9
1974(2)	7,125	1.1	507,800	10.6
1977(2)	7,550	6.0	560,400	10.4

(1) U. S. Census

(2) January estimate by State Department of Finance

HOUSING AND INCOME

The 1970 Census of Housing reported a total of 2,119 dwelling units in the City, of which 1,744 were single-family homes, 319 multiple-family dwelling units and 56 were mobile homes. Nearly 50 percent of all dwellings were owner-occupied. The 1970 median value of single-family dwellings in the City was \$15,000

and the median monthly contract rent was \$84. Comparable figures for Riverside County were \$18,900 and \$92, respectively. The accompanying tabulation presents a summary of 1970 home values and monthly rents within the City.

CITY OF BLYTHE

Home Values and Monthly Rents, 1970

Home Values

Less than \$10,000	142	14.7%
\$10,000 - \$14,999	339	35.2
\$15,000 - \$19,999	255	26.5
\$20,000 - \$24,999	163	16.9
\$25,000 - \$34,999	44	4.6
\$35,000 and Over	<u>20</u>	<u>2.1</u>

Total	963	100.0%
-------	-----	--------

Monthly Rents

Less than \$ 40	35	3.7%
\$ 40 - \$ 59	140	14.8
\$ 60 - \$ 79	241	25.4
\$ 80 - \$ 99	170	17.9
\$100 - \$149	266	28.1
\$150 and Over	58	6.1
None	<u>38</u>	<u>4.0</u>

Total	948	100.0%
-------	-----	--------

Source: 1970 U. S. Census.

The Riverside County Planning Department estimates that as of January 1977, the total number of dwelling units in the City had expanded to 2,358.

The 1970 U. S. Census reported that the median income of Blythe households during 1969 was \$9,808, compared to \$8,977 for Riverside County as a whole.

BUILDING ACTIVITY

The number and valuation of building permits issued by the City during the past five calendar years are summarized in the accompanying tabulation.

Total building permit valuations increased more than 41.5 percent during 1976 in comparison with the previous year.

During the first six months of 1977 the City issued building permits totaling \$674,330, a slight decrease from the \$681,515 valuation of permits issued between January and June, 1976.

CITY OF BLYTHE

Building Permits and Valuations

Calendar Year:	1972	1973	1974	1975	1976
<hr/>					
Single Family Residential					
Permits	41	37	2	14	6
Valuations	\$ 557,536	\$1,081,067	\$ 60,000	\$ 479,852	\$ 118,678
Multiple Dwellings					
Permits	8	1	1	2	4
Valuations	\$ 182,121	\$ 18,743	\$ 15,970	\$ 127,089	\$ 882,299
Other New Buildings					
Permits	15	7	13	6	6
Valuations	\$ 457,877	\$ 473,080	\$1,120,201	\$ 574,246	\$ 486,064
Additions, Alterations and Repairs					
Permits	103	161	196	173	221
Valuations	\$ 141,363	\$ 405,537	\$ 287,800	\$ 272,035	\$ 571,493
Other					
Permits	25	12	37	38	30
Valuations	\$ 81,082	\$ 35,588	\$ 84,809	\$ 59,173	\$ 82,686
Totals					
Permits	192	218	249	233	267
Valuations	\$1,419,979	\$2,014,015	\$1,568,780	\$1,512,395	\$2,141,220

Source: City Building Department

EMPLOYMENT

As shown by the following tabulation, as of April 1976, nearly one-third of all jobs in the Palo Verde Valley were in retail or wholesale trade and approximately one-fourth

of all employed persons were engaged in professional or managerial positions. The Palo Verde Valley Labor Market Area includes the City of Blythe plus the unincorporated communities of East Blythe and Ripley.

PALO VERDE VALLEY LABOR MARKET AREA (1)
Employment as of April 1976 (2)

Classification By Industry:

<u>Industry</u>	<u>Employment</u>	<u>Percentage of Total</u>
Agriculture, Forestry, Fishing	1,106	20.7%
Mining and Construction	188	3.5
Manufacturing	45	0.8
Transportation, Communications, Utilities	473	8.9
Retail and Wholesale Trade	1,710	32.1
Finance, Insurance, Real Estate	171	3.2
Services	508	9.5
Medical, Legal, Education	893	16.8
Government	<u>242</u>	<u>4.5</u>
Total	5,336	100.0%

Classification By Occupational Groups:

<u>Occupational Group</u>	<u>Employment</u>	<u>Percentage of Total</u>
Professional and Managerial	1,327	24.9%
Clerical and Sales	1,214	22.8
Service Worker	844	15.8
Agricultural Worker	868	16.3
Skilled Worker	626	11.7
Semi-Skilled Worker	<u>457</u>	<u>8.5</u>
Total	5,336	100.0%

(1) Includes the City of Blythe and the unincorporated communities of East Blythe and Ripley.

(2) Does not include seasonal workers.

Source: California Employment Development Department, Blythe Field Office.

The 1970 U. S. Census reported that there were 4,349 permanent jobs in the Palo Verde Valley Labor Market Area which had a 1970 population of 12,250. Between 1970 and 1976 the total number of permanent jobs in the Valley increased by 987 to 5,336 and the population expanded to 12,956 persons. These employment totals do not include the estimated 2,850 additional agricultural workers employed during the peak season.

The largest employers (excluding seasonal employers) in the City of Blythe, their approximate number of employees and a description of their primary business or service function appears below.

CITY OF BLYTHE
Largest Employers

Non-Manufacturing Employers:

<u>Employer</u>	<u>Approximate Number Of Employees</u>	<u>Description</u>
Palo Verde Unified School District	300	Public education
County of Riverside	121	County government
Continental Telephone Company of California	115	Telephone company
Palo Verde Irrigation District	100	Public irrigation district
City of Blythe	72	City government
Palo Verde Community College District	57	Public two-year college

<u>Manufacturing Employers</u>	<u>Approximate Number Of Employees</u>	<u>Products</u>
Desert Materials	20	Asphaltic paving compound, ready-mix concrete and concrete block
Shepwells	12	Ready-mix concrete, con- crete block and pre-cast products
Palo Verde Valley Times	12	Newspaper, commercial printing
Blythe Dehydrators	10	Alfalfa pellets and crumbles

Source: Blythe Chamber of Commerce, April 1977.

Construction of the Sundesert Nuclear Plant (described under a separate heading) sixteen miles southwest of Blythe will have a significant impact upon employment in the Palo Verde Valley. Employment of construction workers during the nine-year plant construction period (1979-1987) is expected to peak at 2,800 in 1983, and service jobs induced by plant construction are estimated to peak at 1,280. Approximately 200 persons will be employed to operate the nuclear plant during its 30-year life and approximately 360 local service jobs are expected to result from the operation of the plant.

AGRICULTURE

Agriculture constitutes the major economic activity in the City of Blythe and the Palo Verde Valley. The combination of sufficient water for irrigation and mild winters provides for a year-round growing season. The Riverside County Agricultural Commissioner reports that there were more than 132,000 acres used for agricultural purposes in the Palo Verde Valley during 1976.

The fertile Palo Verde Valley, a reclaimed flood plain, is primarily irrigated with water diverted from the Colorado River through the Palo Verde Irrigation District's system of canals. The irrigation district has the oldest filings for Colorado River water rights in California and is entitled to 1,800 cubic feet per second. The irrigation district currently maintains approximately 281 miles of irrigation canals and 231 miles of drainage ditches in the Valley.

The principal agricultural activities in the vicinity of Blythe include the growing of cotton, alfalfa, lettuce, melons, citrus crops and various other truck and field crops, plus the raising of beef cattle, hogs and sheep. The following tabulation summarizes the valuation of crops harvested in the Palo Verde Valley during each of the past five calendar years.

PALO VERDE VALLEY

Valuation of Annual Crop Yields

Calendar Year:	1972	1973	1974	1975	1976
Citrus Fruit	\$ 695,510	\$ 2,154,345	\$ 4,622,000	\$ 6,799,900	\$ 4,909,187
Truck Crops	11,460,000	19,123,900	13,235,800	24,189,900	26,680,750
Field Crops	<u>14,660,100</u>	<u>25,458,150</u>	<u>30,747,400</u>	<u>27,523,600</u>	<u>39,103,573</u>
Total	\$26,815,610	\$46,736,395	\$ 48,605,200	\$58,513,400	\$70,693,510

Source: "Riverside County Acreage and Crop Report - Palo Verde Valley",
Riverside County Agricultural Commissioner.

Quantities and valuations of livestock marketed in the Palo Verde Valley during 1976, as reported by the Riverside County Agricultural Commissioner's Office, are shown below.

PALO VERDE VALLEY

Quantities and Valuations of Livestock Marketed, 1976

	<u>Quantity</u>	<u>Valuation</u>
Beef Cattle	65,482 head	\$15,060,860
Hogs	1,300 head	123,500
Sheep	45,760 head	2,563,250
Wool	241,000 pounds	<u>187,980</u>
Total Valuation		\$17,935,590

Source: Riverside County Agricultural Commissioner.

Agri-business operations in food processing, agricultural chemicals and cotton ginning represent a growing segment of the Palo Verde Valley's agricultural base. During May 1977, Hi-Value, Inc. opened a \$3 million melon and vegetable cooling plant in Blythe. The cooling plant, purported to be the world's largest such facility, is capable of processing approximately 60 truck loads of crops per day and employs approximately 40 persons during the peak season.

COMMERCE

Retail establishments in the City serve as the primary trading area for a population of approximately 25,000 persons. These enterprises are also patronized by tourists enroute along Interstate 10 to other destinations and by fisherman, boaters and campers who utilize the Colorado River. It is estimated that approximately 1,000,000 vehicles per year enter California through the port of entry adjacent to Blythe.

An inventory of retail floor space prepared by the Blythe Office of the Riverside County Assessor's Office in 1975 reported that 468,301 square feet were utilized by retail establishments in the City. Following is a five-year summary of taxable retail sales transacted in Blythe.

CITY OF BLYTHE
Summary of Taxable Transactions (\$000 Omitted)

Calendar Year:	1972	1973	1974	1975	1976
Apparel stores	\$ 807	\$ 883	\$ 980	\$ 1,190	\$ 1,223
General merchandise stores	3,527	3,689	4,220	4,336	4,992
Food stores	2,994	3,071	3,988	4,812	5,634
Eating and drinking places	2,808	2,877	3,418	4,730	5,769
Home furnishing and appliances	850	730	776	773	1,334
Building materials and farm implements	2,286	2,713	3,482	3,683	3,986
Auto dealers and auto supplies	3,891	4,274	4,268	4,372	5,309
Service stations (1)	3,514	5,926	7,502	8,281	8,641
Other retail stores	<u>2,322</u>	<u>2,928</u>	<u>3,629</u>	<u>4,062</u>	<u>4,326</u>
Retail Stores Totals	\$22,999	\$27,091	\$32,263	\$36,239	\$41,214
Total - All Other Stores	<u>2,615</u>	<u>3,076</u>	<u>3,785</u>	<u>3,366</u>	<u>4,530</u>
Total - All Outlets	\$25,614	\$30,167	\$36,048	\$39,605	\$45,744

(1) Sales of gasoline first became taxable on July 1, 1973.

Source: State Board of Equalization.

BANKING AND FINANCE

The Bank of America NT & SA, Security Pacific National Bank and United California Bank maintain branch offices within the City. The main office of the Colorado River Federal Savings and Loan Association is also located in Blythe.

UTILITIES

Electric power is supplied by the Southern California Edison Company. The Southern California Gas Company provides natural gas. Telephone service is furnished by the Continental Telephone Company of California. Water and sewer service are provided by the City.

TRANSPORTATION

The City is traversed by Interstate 10, the principal route between Los Angeles, California and Phoenix, Arizona. U. S. 95 also traverses the City and provides access to Needles, Las Vegas, Nevada and other northern points. California Route 78 connects the City to Brawley and other southwestern points.

Overland bus service is provided by Greyhound Bus Lines and the Trailways Bus System on a daily basis. Eight truck carriers serve Blythe through four terminals. Rail freight service is available through a spur track extending from the main line of Atchison, Topeka and Santa Fe Railroad at Rice, California.

Commerical airline service to Phoenix, Palm Springs and Los Angeles is available daily from Hughes Airwest at the Blythe Airport. The airport is a general aviation facility which is maintained by Riverside County.

SUNDESERT NUCLEAR PLANT

The San Diego Gas and Electric Company (SDG&E) is currently seeking regulatory approval to build the Sundesert Nuclear Plant sixteen miles southwest of Blythe on the Palo Verde Mesa. The facility will contain two nuclear generating units, each with a net output of 950 megawatts. Construction of the nuclear plant is estimated to cost \$1,087,000,000 in 1975 dollars and occur between 1979 and 1987. Employment in the Palo Verde Valley is expected to increase significantly during the construction of the nuclear plant and to a lesser extent during its operation as discussed in the "Employment" subsection of this Official Statement.

Although SDG&E will have project management responsibility for engineering, licensing and construction of the Sundesert Nuclear Plant, the company expects to own only 50 percent of its capacity, with 50 percent owned by other project participants. Several utilities and government agencies have expressed an interest in participating in the remaining 50 percent capacity including the California Department of Water Resources, the United States Bureau of Reclamation and the cities of Anaheim, Glendale, Pasadena and Riverside. Power generated at Sundesert will be transmitted to SDG&E and the other project participants by a system of 500,000-volt transmission lines.

Cooling water for the first unit of the Sundesert Nuclear Plant will be provided by the Metropolitan Water District of Southern California under a contract with SDG&E. Water for unit two will be drawn from water rights acquired from SDG&E's purchase of over 7,000 acres of farmland located in the southern portion of the Palo Verde Irrigation District. The farmlands will be held out of production to the extent necessary to provide a sufficient water supply and excess lands will be planted on a rotational basis.

EDUCATION

The Palo Verde Unified School District provides public education from the kindergarden level through the fourth year of high school, plus adult education to residents of the City and surrounding unincorporated areas. The school district operates three elementary schools, one junior high, a high school and a continuation school, all of which are located within the City.

Following is a five-year summary of the average daily attendance data for the school district.

PALO VERDE UNIFIED SCHOOL DISTRICT Average Daily Attendance (1)

Fiscal Year	Elementary	Junior High	High School	Continuation School	Total
1972/73	2,160	626	1,074	51	3,911
1973/74	2,047	595	1,098	46	3,786
1974/75	2,105	630	1,106	45	3,886
1975/76	2,141	609	1,079	68	3,897
1976/77	2,164	603	1,099	86	3,952

(1) Including summer school.

Source: Palo Verde Unified School District.

Higher education is available at Palo Verde College, a taxpayer supported two-year community college which is located in the City. The college, established in 1947, offers programs leading to Associate degrees in technical, occupational and transferable academic curricula. Adult education courses are also offered. Fall term enrollment has been as follows:

PALO VERDE COLLEGE Fall Term Enrollment

	1972	1973	1974	1975	1976
Full-time	240	213	220	224	211
Part-time	302	336	335	323	358
Adult education (1)	<u>142</u>	<u>213</u>	<u>245</u>	<u>211</u>	<u>95</u>
Total	684	762	800	758	664

(1) Students enrolled in non-graded courses.

Source: Palo Verde College.

COMMUNITY FACILITIES

The 36-bed Palo Verde Hospital, located in Blythe, is the only acute-care facility serving an estimated population of over 14,500. This medical resource is augmented by the ten physicians, eight dentists, three optometrists and two chiropractors who practice in the City.

The Blythe Marina, located three miles east of the City on the Colorado River, offers camping and boat launching facilities, picnic grounds and trailer hook-ups. Mayflower Park and McIntyre Park, both of which are operated by Riverside County, also provide picnic and boat launching facilities in proximity to Blythe.

An 18-hole championship golf course is operated by the City on West Mesa. There are three playgrounds, two municipal tennis courts and one theatre in Blythe.

The Blythe River Cruise is held annually in the early spring and consists of a 75-mile journey downriver to Martinez Lake, an overnight campout and return. Participation in this event has been limited to 300 boats per year.

Nineteen churches, representing most major denominations, hold services in Blythe. The Palo Verde Valley District Library contains nearly 33,000 volumes.

The Palo Verde Valley Times is published in Blythe and provides local news coverage on a weekly basis. The Arizona Republic, Daily Enterprise, (Riverside, California), Los Angeles Herald Examiner and Los Angeles Times are transported to the City daily. Radio station KYOR, AM-FM maintains broadcast studios locally. A cable television system transmits Los Angeles and Phoenix area channels to the City.

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